



California Arts Council

The California Challenge Program 1998-99 Guidelines and Application

Postmark Deadline: May 8, 1998

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California Arts Council



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Web: <http://www.cac.ca.gov>
Email: cac@cwo.com

Office Hours

8 a.m. - 5 p.m.
Monday through Friday

Purpose: The California Arts Council (CAC), a state agency, was established in January 1976 to encourage artistic awareness, participation, and expression; to help independent local groups develop their own arts programs; to promote employment of artists and those skilled in crafts in the public and private sector; to provide for exhibition of artworks in public buildings throughout California; and to enlist the aid of all state agencies in the task of ensuring the fullest expression of our artistic potential.

The Agency: The Director is the Chief Executive Officer and reports directly to the Governor. The Director and Deputy Director for Partnerships are appointed by, and serve at the pleasure of the Governor. The Director and Deputy Director manage a professional staff headquartered in Sacramento.

The Council: The appointed Council of the CAC consists of 11 members who serve four-year staggered terms. The Governor appoints nine members; the Legislature appoints two. Council members serve without salary, elect their own chair, and meet throughout the state to encourage public attendance. This body has final approval of CAC grants.

Mission: The mission of the CAC is to make quality art reflecting all of California's diverse cultures available and accessible; to support the state's broad economic, educational, and social goals through the arts; to provide leadership for all levels of the arts community; and to present effective programs that add a further dimension to our cities, our schools, our jobs, and our creative spirit.

Funding: The CAC is a taxpayer-supported agency, funded primarily from the state's annual budget process, supplemented with funds from the National Endowment for the Arts. Its grants are usually matched by foundations, individuals, earned income, government agencies, or other organizations.

Information Access: Due to the Public Records and Open Meeting Acts, applications and their attachments are not confidential and may be requested by the media and/or public. Observers may attend but may not comment on, participate in, or in any way interfere with panel meetings. Contact the CAC for meeting dates and locations.

Grants Panels: Applications are evaluated by panels of experts, recognized in their respective fields, who rank applications according to program criteria. The CAC staff provides information but not recommendations to the panel. The appointed CAC reviews panel recommendations before making final funding decisions.

Appeal Process: Appeals to CAC funding decisions must be submitted on an official Appeal Form, available from the CAC, and postmarked within 45 days of the decision. Appeals are heard only on the following grounds:

1. Assessment based on a misstatement of factual information as contained in the application such that it negatively influenced the panel's assessment of the applicant's request for funding; and/or
2. Incorrect processing of the required application materials such that it negatively influenced the panel's assessment of the applicant's request for funding.

Note: *Dissatisfaction with award denial or with award amount is not grounds for appeal.*

Requirements: The CAC is mandated both by federal and state regulations to fund only organizations that have proof of nonprofit status under sec. 501(c)(3) of the Internal Revenue Code, or under sec. 23701d of the California Revenue and Taxation Code, or entities that are a unit of government; and that comply with the Civil Rights Act of 1964, as amended; sec. 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975; the Drug-Free Workplace Act of 1988; California Government Code secs. 11135-11139.5 (barring discrimination); the Fair Labor Standards Act, as defined by the Secretary of Labor in part 505 of title 29 of the Code of Federal Regulations; the Americans With Disabilities Act of 1990 ("ADA"); and the Fair Employment and Housing Act. *Pursuant to Art. 1, sec. 31 of the California Constitution, the CAC does not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity or national origin in the administration of its programs. In its decision making, the CAC will, pursuant to law, consider the widest possible combination of factors influencing artistic merit reflective of the diverse cultural mosaic that is California.*

Ownership, Copyrights, Royalties, Credit: The CAC does not claim ownership, copyrights, royalties, or other claims to artwork produced as a result of a CAC grant. However, the CAC reserves the right to reproduce and use such materials for official, noncommercial purposes. In addition, the CAC requires documentation of grant activity and appropriate credit for CAC partial support.



NOTE!

Please read the guidelines carefully. If you have any questions, contact the program specialist for your discipline as listed below.

Program Manager	Scott Wm. Heckes	916/322-6376
Arts Services/Presenters	Anne Bourget	916/322-6339
Arts Education.....	Anne Bourget	916/322-6339
Dance	Rob Lautz.....	916/322-6578
Literature	Ray Tatar	916/322-6395
Media Arts	Anne Bourget	916/322-6339
Multi-Disciplinary Arts.....	Anne Bourget	916/322-6339
Music	LeGrand Rogers	916/322-6392
Theater.....	Ray Tatar	916/322-6395
Visual	Scott Wm. Heckes	916/322-6376

Note: Interdisciplinary arts organizations must apply in the discipline category that most closely represents their work.

California Challenge Program • 1998 - 1999 Guidelines and Application

Note: Panel recommendations will be forwarded to the California Arts Council for review and approval at its September 1998 public meeting. Applicants will receive notice of the Council's decision in early October 1998.

The California Challenge Program is multi-disciplinary in focus and accepts applications in all arts disciplines including, but not limited to: arts education, art service, dance, literature, media arts, multi-disciplinary arts, music, presenting, theater, and visual arts.

The goal of the California Challenge Program is to assist eligible California Arts Organizations to obtain new and increased private funding; and to assist eligible local arts agencies to obtain new and increased local public funding and/or new and increased private funding, to support innovation and artistic excellence.

The Arts Council expects Challenge Program funds to stimulate creative thinking about arts programming, management, institutional development, and arts delivery systems. **The Challenge Program strives to support innovative approaches to artistic excellence, including but not limited to:**

Fresh approaches to artistic programming, such as:

- creation of new work;
- artistic enhancement and improved artistic quality.

Initiatives that increase cultural diversity in programs and audiences, such as:

- programs or activities involving organizations rooted in specific cultural traditions;
- marketing and outreach programs;
- international cultural exchange between California, Pacific Rim countries (Mexico, Japan, Australia, Latin America, etc.), and other nations.

New methods that increase and involve audiences in the arts, such as:

- exemplary initiatives in arts education;
- visual and performing arts touring to underserved audiences;
- programs or activities involving urban institutions and California's growing cities and rural areas;
- use of recordings, print, or electronic media to reach new audiences;
- adventurous public art projects; and
- arts and tourism partnerships.

The Challenge Program will support onetime projects as well as new programs that continue beyond the grant period. Applicants should make a case that the project is consistent with their long-range goals.

The Arts Council appreciates the state's diversity of arts organizations and cultural needs and will consider any proposal that addresses the needs and opportunities of the applicant organization and the community in which it exists. Applicants should make a clear case for how the proposed project constitutes a "challenge" for the organization and its community.

Grantees must seek new and increased funding to match Challenge Program funding. (See Grant Match Information, page 3.) Grant recipients must meet the required match between October 1, 1998 and September 30, 1999. In general, matching funds should be allocated to the project for which funding has been awarded.

Application to the Challenge Program does not preclude application to any other California Arts Council Programs.

Eligibility

Organizations applying to the California Challenge Program must demonstrate the following:

1. Proof of nonprofit status under section 501(c)(3) of the Internal Revenue Code, or section 23701d of the California Revenue and Taxation Code; or be a municipal or county arts agency designated by local government to serve community cultural needs;
2. consistent arts programming in California for at least two years prior to the time of application;
3. a cash income budget of at least \$100,000 in its last completed fiscal year at the time of application; and
4. principal place of business in California.

In addition, an applicant must meet the following legal requirements:

1. compliance with the Civil Rights Act of 1964, as amended; sec. 504 of the Rehabilitation Act of 1973 (as amended); the Age Discrimination Act of 1975; the Drug-Free Workplace Act of 1988; California Government Code secs. 11135-11139.5 (barring discrimination); the Americans with Disabilities Act of 1990; the Fair Employment and Housing Act; completion of prior contract evaluations, if applicable; and
2. compliance with the Fair Labor Standards Act; and must pay professional performers, artists, and other personnel at a compensation level for persons similarly employed elsewhere.

California Challenge Program • 1998 - 1999 Guidelines and Application

Organizations not eligible to apply include: other state agencies; elementary or secondary schools and school districts; organizations using fiscal agents; non-arts organizations such as social service organizations, churches, convention and visitors bureaus, parks and recreation districts, or other organizations whose main purpose is not the production and/or presentation of the arts.

Review Criteria

Each year the Challenge Program receives a large number of requests of varying types. Since sufficient funds are not available to meet all requests, the Arts Council's priority is to fund requests that address the program's review criteria to the highest degree and best reflect the quality and diversity of the state's cultural expressions. A peer review panel will evaluate and rank applications on a competitive basis using the following criteria:

I. Artistic/Managerial Strength of the Organization

Artistic/managerial strength of the organization will be judged on:

- overall artistic achievement;
- service to the community, including contribution to the community's understanding of and participation in the arts;
- overall fiscal health and past ability to raise private funding;
- artistic and managerial continuity and effectiveness over time;
- where applicable, artistic and managerial assessment by other CAC review panels; and
- where applicable, past performance with Arts Council awards, including past Challenge Program Grants.

II. Value of the Project for Which Funding is Requested.

The value of the project will be judged on:

- artistic excellence and the innovative nature of the project; (Note: Service organizations will be judged on the quality of the service they provide and its impact on their constituency.)
- impact of the project on the arts discipline, on artists, audiences, and the applicant organization; and
- financial impact of the project on the organization (Note: Continuing projects should indicate future sources of support).

III. Nature of the Challenge

The nature of the challenge will be judged on:

- the degree to which the proposal "challenges" the artistic and administrative capacity of the organization;
- how the "challenge" relates to the community's current stage of development in the arts, available resources, and demographic characteristics; and

- how well the proposal meets the goals of the Challenge Program and supports the overall cultural development of the state.

Restrictions

Award recipients may not reapply to the program the following year, but may reapply after a one-year hiatus. For example, organizations that received Challenge Program funding for FY 1997-98 may not apply for funding consideration in FY 1998-99, but may reapply in FY 1999-2000.

Challenge Program funds cannot be used for contributions to endowments, capital expenditures, deficit reduction, or the establishment of cash reserves; however, matching funds leveraged by the Challenge Program grant may be used for these purposes. Challenge Program funds may be used for the marketing, consultation, and other services needed to implement such stabilization activities when appropriate to the project for which funding has been awarded.

What We Do Not Fund:

- Organizations and programs that are part of the curricula of schools, colleges, or universities;
- Out-of-state travel or activities;
- Programs not accessible to the public;
- Purchase of equipment, land, buildings, or construction (capital expenditures);
- Hospitality or food costs;
- Trusts or endowments;
- Projects with religious or sectarian purposes;
- Expenses incurred before starting date of the contract; and/or
- Indirect costs of non-arts organizations.

Request Amounts

Request amounts are to be based on the organization's cash income budget in the last completed fiscal year at the time of application.

In general, a maximum request of \$25,000 will be allowed by Category A applicants (budgets between \$100,000 and \$999,999). However, in compelling cases, Category A applicants may request funds in excess of \$25,000 and up to a maximum of \$50,000.

A maximum request of \$100,000 will be allowed by Category B applicants (budgets of \$1 million and over).

Applicants should not request more funding than they can match.

California Challenge Program • 1998 - 1999 Guidelines and Application

All applicants should demonstrate that they can raise the required match based on their contributed income fund-raising track record.

In general, full funding will be awarded to those organizations recommended for funding.

Grant Match Information

Challenge Program funds must be matched with new and increased private funding from foundations, business/corporate sources, individual contributions, the net profit of fund-raising, and memberships.

Local arts agencies such as State-Local Partners, arts councils, and commissions may use new local public funding as well as new private funding to meet the required match.

Earned income may not be used as a source of matching funds.

In-kind support may not be used as a source of matching funds.

Request amounts should balance the needs and design of the project with the organization's ability to raise the required match. The match must be raised between October 1, 1998 and September 30, 1999. However, the project may occur over a two-year period ending no later than September 30, 2000.

Funds will be released based on the grantee's ability to document that the match has been achieved. If grantees can demonstrate that they have met the match before the end of the contract period, up to 90% of the grant may be paid. The final 10% will be held pending the CAC's receipt of the grantee's project evaluation and required financial documentation.

Definition of New and Increased Private Funding:

New and increased *private funding* (or local public funding in the case of local arts agencies) is defined as:

- New and/or increased *private* contributions from individuals, foundations, businesses, corporations, the net profit of fund-raising, and memberships received in the grant match period, October 1, 1998 to September 30, 1999, as compared to contributions received in the base period, October 1, 1997 to September 30, 1998.
- New and increased *local public funding*, eligible as a source of matching funds for local arts agencies only, is defined as: new and/or increased contributions from local government (city and/or county) received in the grant period, October 1, 1998 to September 30, 1999, as compared to contributions received in the base period, October 1, 1997 to September 30, 1998.

By the end of the grant match period, grantees must demonstrate that a match of 2:1 or 3:1 in new funding has been raised to match Challenge Program funds (see *Matching Requirements*, below). Challenge Program match funds may come from:

- Contributions from funders who did not support the grantee's activities in the base period; and
- Contributions from funders who supported the grantee's activities in the base period and increased their support during the grant match period. In these instances, the *increase* in funding may be applied to the match.

Certification of the match must be verified by the grantee's chief fiscal officer and board president. Documentation of the match may be audited by the CAC upon request.

Matching Requirements:

Category A applicants (budgets between \$100,000 and \$999,999) must match each Challenge dollar with a minimum of two dollars of new and/or increased funding from allowable sources. Category B applicants (budgets of \$1 million and over) must match each Challenge dollar with a minimum of three dollars of new and/or increased funding from allowable sources.

Local arts agencies such as State-Local Partners, arts councils, and commissions must also match Challenge funding on a 2:1 or 3:1 basis depending on budget size. However, the CAC recognizes the role of municipal and county arts agencies in leveraging new local public dollars. Therefore, these arts agencies may match Challenge funds with a combination of new and/or increased local public (city and/or county) funding and new and/or private funding. New and increased local public funding may be used for up to 100% of the match.

Payment Process

Challenge Program funds will be granted during the Arts Council's 1998-99 fiscal year. Grantees may request up to 25% of the grant in advance. No additional funds will be released until the grantee has submitted verification that the required matching funds have been received for the advance, as well as receipt of the required matching funds for any additional request for payment.

Grantees must remember that by the end of the grant period they must document that total private contributed income (or local public contributed income in the case of local arts agencies) has been received at a level sufficient to match the Challenge Program Grant.

Application Review Process

The Challenge Program panel is multi-disciplinary in make-up to reflect the pool of applicants.

The panel's review of applications is a multi-step process and involves assigning numerical ranks to an application. A four-point ranking system is used:

- 4 Designates an applicant as the highest priority for funding. Applicants are considered to be "model" in stature and to meet all of the review criteria to the highest degree possible.
- 3 Considered good to excellent. This is a very good ranking and indicates a very solid organization that is approaching "model" status. It strongly meets the review criteria, however, some improvement or development is needed.
- 2 Considered to be marginally fundable. These applicants have some merit, however, they do not meet the criteria in a strong or solid way.
- 1 Not fundable under any circumstances; inappropriate for CAC support, extremely marginal in quality, etc. Applicant would not receive funding even if the funding were available.

Within ranking categories there is a possible "+" or "-" to indicate a greater or lesser degree of quality in the category. There is no "4+," "1+" or "1-" possible. Each ranking category and its gradations are translated into a wider numerical scale and all ranks are averaged to obtain the final ranking.

The application review process takes place in three rounds: *Pre-screening*, *Round One*, and *Round Two*.

The California Challenge Program, in an effort to focus the limited time available for application review, uses a *pre-screening* process for initial review. In this system, panelists are asked to come to the panel meeting with a list of their highest priorities for funding, i.e., those proposals that meet the program's review criteria to the highest degree and that demonstrate a real artistic or administrative challenge for the applicant. On day one of the panel, staff will introduce each application, the panel will be asked to vote on whether or not a proposal will be kept in the pool for further discussion. If a proposal receives a sufficient number of votes, it will remain in the applicant pool and will be forwarded to *Round One* for further discussion.

In *Round One*, the panel considers the merits of the remaining applicants based on the program's review criteria. Work samples (audio/visual materials) and any supplementary information are reviewed at this time. During this round, the panel considers the applications as a pool of competitive requests for funding and discusses and ranks them individually; the average ranking determines funding priorities.

In *Round Two*, the applicants are clustered by rank category from highest to lowest rank. That is, all the "4s" are grouped together, all the "3s," and so on. Each rank category is then assessed to make sure that all applicants in a cluster are equivalent to the others. Movement up or down a rank category may take place at this time when a panel finds an applicant, or number of applicants, to be out of place in a rank category. Movement up or down by one rank point must have the vote of the majority of panelists, plus one; movement up or down two rank points or more must have unanimous approval of the panel.

The panel recommendations are forwarded to the CAC Director and the Grants and Panel Committee of the Arts Council for review and further recommendations. The final recommendations are forwarded to the Council, which reviews and approves the funding recommendations at a public meeting.

California Challenge Program • 1998 - 1999 Guidelines and Application

The California Challenge Program 1998-99 Application

Postmark Deadline: May 8, 1998

The original application, 10 collated copies, required attachments, and supporting documentation must be submitted to: California Arts Council, Challenge Program, 1300 I Street, Suite 930, Sacramento, CA 95814.

Applicant Request Information

1. Application Number (*office use only*) _____
2. Challenge Request \$ _____
3. Challenge Match \$ _____
4. Total Project Budget \$ _____
5. 1996-97 Organization's Cash Income Budget \$ _____

Applicant Description

1. Organization's primary discipline area _____
2. Check the Challenge category to which you are applying:

☐ Category A (Budget of \$100,000 - \$999,999)
☐ Category B (Budget of \$1,000,000 or more)
3. Contact Person _____
4. Organization Name _____
5. Address _____
6. City _____
7. Zip _____
8. County _____
9. Telephone () _____
10. Fax () _____
11. E-mail _____
12. Web Address _____
13. Board President _____
14. Chief Fiscal Officer _____
15. Are you currently receiving CAC funding? ☐ yes ☐ no
16. If you have received CAC funding in the past, indicate program(s):

☐ Organizational Support

☐ California Challenge

☐ State-Local Partnership

☐ Artists in Residence

☐ Multi-Cultural Entry

☐ Multi-Cultural Advancement

☐ Touring and Presenting

☐ Local Arts Education Partnership

California Challenge Program • 1998 - 1999 Guidelines and Application

NARRATIVE

Describe your project in narrative form addressing the following. Use no more than **five pages**, double spaced, with your organization's name at the top of each page.

1. Describe project(s) for which you are requesting funds; explain how your request meets Challenge Program objectives, and detail the project's relationship to your overall mission. Describe the expected artistic, financial and administrative effects the project will have on your organization and how it fits administratively, artistically and financially into your long-range plan.
2. Explain how this proposed project constitutes an artistic and/or administrative stretch (or "challenge") for your organization and/or your community.
3. Where appropriate, describe your efforts to encourage California's diverse communities to participate in this project.
4. Explain if the level of financial support and programming begun with the Challenge Program funds will continue after completion of the grant, and list support sources. (Note: If not to be continued, also discuss project's importance as a one-time opportunity.)

PROJECT BUDGET

Attach a detailed budget, **including income and expenditures (one-page maximum)** for the project for which you are requesting Challenge Program funds. (In general, the project budget must reflect a total equal to or greater than the request amount plus the required match.)

CAPACITY FOR PLANNING

On one page, double spaced, describe your organization's planning process, answering the following questions.

1. Did your organization have a board-approved long-range plan before making this application? Is it fully budgeted? Is this project part of that plan?
2. Does your board have a standing planning committee? Is the plan annually updated and evaluated against your budget?
3. If the project is not part of your long-range plan, how does it relate to your long-range goals?

FUND-RAISING PLAN

Use no more than three typed, double spaced pages to address the following:

Outline your fund-raising plan and justify your ability to meet the required match with new and increased private funding. (See Definition of New and Increased Private Funding, page 3.)

Describe, if applicable, how you will modify your fund-raising activities to meet the required match. (See Grant Match Information, page 3.)

If applicable, provide a list of potential contributors who have expressed an interest in supporting the project/activity for which you are requesting California Challenge Program funding.

Indicate who will be responsible for instituting the fund-raising plan and if new staff will be added. Describe the nature of board and community involvement.

Provide an estimated timeline for fund-raising activities.

EVALUATION PLAN

On one typed, double spaced page, discuss how you will measure and evaluate this project's impact on your organization and your community.

FINANCIAL INFORMATION

Complete Financial History Questionnaire, page 7.

Complete Organizational Budget Summary, pages 9 and 11.

California Challenge Program • 1998 - 1999 Guidelines and Application

FINANCIAL HISTORY QUESTIONNAIRE

List below the figures applicable to your organization's financial position. Figures must correlate with those indicated on the Organizational Budget Summary, pages 9 and 11.

	1995-96	1996-97	1997-98
Operating Surplus (Deficit)	_____	_____	_____
Accumulated Surplus (Deficit)	_____	_____	_____

How will the surplus be used over the short and long term?

How is the deficit financed over the short term (i.e., loans from a bank or other institutions, or from individuals or board members, accounts payable, etc.)?

How is the deficit financed over the long term (i.e., mortgage, etc.)?

California Challenge Program • 1998 - 1999 Guidelines and Application

Organizational Budget Summary Instructions, page 9

An organization whose purpose is not solely arts production, presentation or service must base its request only on its arts activities budget. The Organizational Budget Summary must be completed to reflect **the applicant's arts activities budget only**.

REMINDERS ON COMPLETING BUDGET SUMMARY

Do:

- Use "other" lines and attach schedules as needed;
- Use notes to explain and clarify the budget line items where changes are significant from year to year (10% or more);
- Fill in all columns; and
- Check arithmetic.

Do Not:

- Change, alter, or combine lines;
- Include in-kind support, except on line XII;
- Include portions of your budget not relevant to arts programming;
- Include endowment, capital funds and/or loans, except as indicated on page 11.
- Include pass-through support, except on line XIII.

For each fiscal year, complete appropriate budget categories. Complete, as is the case, the surplus income or deficit and the accumulated surplus or deficit in the lines provided. Describe on page 11 under Budget Notes the plans to reduce the deficit or use the surplus.

Observe the following general rules:

- Follow lines exactly as printed; do not cross out, alter, or combine lines. Use lines marked "Other" in each category to accommodate special reporting needs (attach schedules where appropriate).
- Limit this budget to activities directly pertinent to arts programming. Do not include indirect costs.
- Be certain that in-kind support is reflected only on line XII. Remember, this is a cash budget. Call CAC staff if you have questions regarding "in-kind."
- The budget page is to cover four full years. If your fiscal year corresponds to the calendar year, include budgets for 1996, 1997, 1998, and 1999. *If you changed your fiscal year during this period, adjust figures to the best of your ability so each column reflects exactly 12 months.*
- Complete the Budget Notes and Schedules section, page 11, where necessary to explain circumstances that might appear problematic, for example: to clarify unusually large increases or decreases; to explain why certain figures appear large or small for an organization of your kind; to explain plans to retire a deficit or use a surplus; to explain why figures on Budget Summary page may differ from those on in-house budgets and financial statement. A portion of the page has been set aside for budget notes.
- You are required to attach schedules for lines marked "Other." The Budget Notes section of page 11 can be used if space permits.

DEFINITIONS

I. A. Contributed Income

- Federal Government: Cash support from grants or appropriations from federal agencies, including the National Endowment for the Arts (NEA). Use a note to indicate which NEA theme is the source of the grant.
- State Government: Cash support (other than this request) from the CAC or other state agencies.
- Grant Amount Requested: For projected year only, write total grant request as it appears on page 5, line 2.

- Local/Municipal Government: Cash support from grants or appropriations from city, county, and other government agencies.
- Individual Contributions: Cash support from private individuals; e.g., donations from patrons, boards of directors, etc.
- Business/Corporate Contributions: Cash support.
- Foundations: Cash support from private or community foundations. (Note: List corporate foundation support on line 6.)
- Memberships: Cash support (usually dues) from constituents or patrons who receive membership privileges.
- Fundraising: Include *gross* proceeds from benefits, or other special events. Include contributions from guilds and auxiliaries. Do not include income from bookstores, restaurant, or other non-program-related activities. These should be listed on Earned Income lines.

I. B. Earned Income

- Admissions: Revenue from admissions, tickets, subscriptions, etc.
- Touring: Revenue from touring activities.
- Contracted Services: Contract revenue from specific services (usually with an organization or unit of government), including performance or residency fees, etc.
- Tuition/Workshops: Revenue from sale of services (usually to individuals), such as classes, workshops, training.
- Product Sales: Earned revenue from other sources, such as catalog sales, advertising space in programs, parking, etc.
- Investment Income: Dividends, interest, capital gains and their proceeds, including earnings from endowments if used for operations.
- Other: Other sources, if any, such as *net* income from bookstores, restaurant, or other non-program related activities.

II. A. Personnel Expenses: Include salaries, wages, and benefits for employees, payment to consultants.

- Artistic/Administrative/Technical: For Full-Time, include all year-round and permanent staff; for Other, include all part-time, project based, seasonal, collaborating, and consulting personnel.

II. B. Operating Expenses

- Facility Expenses/Space Rental: Rental of office, rehearsal facilities, theater, hall, gallery, etc., and overhead for basic utilities. Also include non-structural renovations and improvements. *Do not include capital expenditures.*
- Marketing: Marketing, publicity, and promotion, not including payments to personnel listed above (II. A.). Include: costs of newspaper, radio, and television advertising; printing and mailing of brochures, flyers, or posters; food, drink, and space rental when directly connected to promotion, publicity, or advertising.
- Production/Exhibition: Costs of artistic production, including: electricity, storage, photo supplies, publication purchases, sets and props, equipment rental, insurance fees, trucking, shipping, and hauling expenses not entered under Travel.
- Travel: All travel connected with personnel, including fares, hotels, and other lodging expenses, food, taxis, gratuities, per diem payments, toll charges, mileage, allowances.
- Fundraising Expense: Total cost of fundraising activities. Fundraising expenses should relate to fundraising events included in contributed income.
- Other Operating Expenses: Be sure to attach a schedule if amount of this line exceeds 10% of total expenses. Include loan payments, interest charges, miscellaneous administrative expenses not covered above; yearly acquisitions budget; insurance.

California Challenge Program • 1998 - 1999 Guidelines and Application

ORGANIZATIONAL BUDGET SUMMARY

Fiscal Year begins (month) _____. This budget page is to cover four full years, 12 months per year. If your fiscal year corresponds to the calendar year, include budgets for 1996, 1997, 1998 and 1999.

	1995-96 (actual)	1996-97 (actual)	1997-98 (current)	1998-99 (projected)
I. INCOME				
A. Contributed				
1. Federal Government	_____	_____	_____	_____
2. State Government (do not include this request)	_____	_____	_____	_____
3. Grant Amount Requested (Challenge only)	_____	_____	_____	_____
4. Local/Municipal Government	_____	_____	_____	_____
5. Individual Contributions	_____	_____	_____	_____
6. Business/Corporate Contributions	_____	_____	_____	_____
7. Foundations	_____	_____	_____	_____
8. Memberships	_____	_____	_____	_____
9. Fundraising Events (gross)	_____	_____	_____	_____
10. Other: _____	_____	_____	_____	_____
Subtotal Contributed	_____	_____	_____	_____
B. Earned				
11. Admissions	_____	_____	_____	_____
12. Touring	_____	_____	_____	_____
12a. Contracted Services	_____	_____	_____	_____
13. Tuition/Workshops	_____	_____	_____	_____
14. Product Sales/Concessions	_____	_____	_____	_____
15. Investment Income	_____	_____	_____	_____
16. Other: _____	_____	_____	_____	_____
Subtotal Earned	_____	_____	_____	_____
17. Grand Total Income (A+B)	_____	_____	_____	_____
II. EXPENSES				
A. Personnel				
18. Artistic Full-time	_____	_____	_____	_____
Other Artistic	_____	_____	_____	_____
19. Administrative Full-time	_____	_____	_____	_____
Other Administration	_____	_____	_____	_____
20. Technical Production Full-time	_____	_____	_____	_____
Other Technical Production	_____	_____	_____	_____
Subtotal Personnel	_____	_____	_____	_____
B. Operating Expenses				
21. Facility Expenses/Space Rental	_____	_____	_____	_____
22. Marketing	_____	_____	_____	_____
23. Production Exhibition	_____	_____	_____	_____
24. Travel	_____	_____	_____	_____
25. Fundraising Expenses (gross)	_____	_____	_____	_____
26. Other (if greater than 10% of budget, attach separate schedule)	_____	_____	_____	_____
Subtotal Operating	_____	_____	_____	_____
27. Total Expenses (A+B)	_____	_____	_____	_____
III. Surplus Income (Deficit) at year end (item 17 - item 27)	_____	_____	_____	_____

Organizational Budget Summary Instructions, page 11

- III. **Operating Surplus (Deficit):** Enclose deficit figures within parentheses.
- IV. **Carryover Fund Balance at Beginning of Year.** Include only operating funds. Do not include value of endowments, cash reserves, restricted funds, or capital assets. For 96-97 actual, current and projected years, this figure should correspond to line VII of the previous column.
- V. **Accumulated Surplus:** Add item III, plus item IV, if appropriate.
- VI. **Other Net Adjustments:** Include fund transfers, special gifts, etc. Indicate deficit adjustments within parentheses.
- VII. **Balance at Year End:** Carry this figure forward to line IV of the next year.
- VIII. **Balance of Endowment Fund:** Indicate the balance of the organization's endowment fund. Provide notes detailing major increases and/or decreases to fund.
- IX. **Cash Reserves:** Indicate the balance, with notes detailing major increases and/or decreases.
- X. **Balance of Non-Operating Capital Funds:** Such as construction or building funds. Provide notes detailing major increases and/or decreases to fund.
- XI. **Loans/Lines of Credit:** Indicate the balance of all outstanding loans. Provide notes detailing the reason for the loan, the organization's repayment plan, and term of the loan.
- XII. **In-kind Contributions:** Includes the value of in-kind contributions including services, capital acquisitions, space rental, and volunteer services, (artistic, administrative, and technical). If the total exceeds 10% of total income (line 17), attach a schedule.
- XIII. **Pass-Through Funds:** Include any funds received as a fiscal agent for the benefit of another organization(s).

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Organizational Budget Summary (cont'd.)	1995-96 (actual)	1996-97 (actual)	1997-98 (current)	1998-99 (projected)
III. Operating surplus (deficit) from previous page	_____	_____	_____	_____
IV. Carryover fund balance at beginning of year surplus (or deficit)	_____	_____	_____	_____
V. Accumulated surplus (deficit) (item III plus item IV -- if appropriate, describe below under Budget Notes the plan to reduce deficit or utilize surplus)	_____	_____	_____	_____
VI. Other net adjustments (explain below)	_____	_____	_____	_____
VII. Balance at year end (item V plus Item VI)	_____	_____	_____	_____

VIII. Balance of endowment fund (if applicable)	_____	_____	_____	_____
IX. Cash Reserve	_____	_____	_____	_____
X. Balance of non-operating capital fund(s) (if applicable)	_____	_____	_____	_____
XI. Loans, outstanding (if applicable)	_____	_____	_____	_____
XII. In-kind contributions (attach schedule if greater than 10% of total income)	_____	_____	_____	_____
XIII. Pass-through funds (i.e., as fiscal agent, etc.)	_____	_____	_____	_____

BUDGET NOTES AND SCHEDULES

You are required to provide budget notes to explain noticeable shifts (10% or more) in income and expense line items from year to year. If necessary, attach detailed schedules based on the organization's financial statements. (Note: Unexplained changes in income or expenses and surplus/deficit positions from year to year may reflect negatively on your application.)

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REQUIRED ATTACHMENTS

Attach the following supplements to your core application in the order listed; collate materials into 10 application packets plus the original.

1. Financial History Questionnaire (page 7);
2. Organizational Budget Summary (pages 9 and 11);
3. Short biographies of key artistic, technical, or other personnel, including personnel hired for the proposed project;
4. List of board members with their professional affiliations;
5. Brief history of the organization and its major accomplishments;
6. Audit and/or financial statement for the last completed fiscal year; and
7. Statement from the board endorsing this proposal, signed by board chair or president.

Submit the original and 10 collated copies of the application and required supplements.

Audio/Visual or other documentation relating to the evaluation of the organization and this grant request may be included with the application package.

These materials may include:

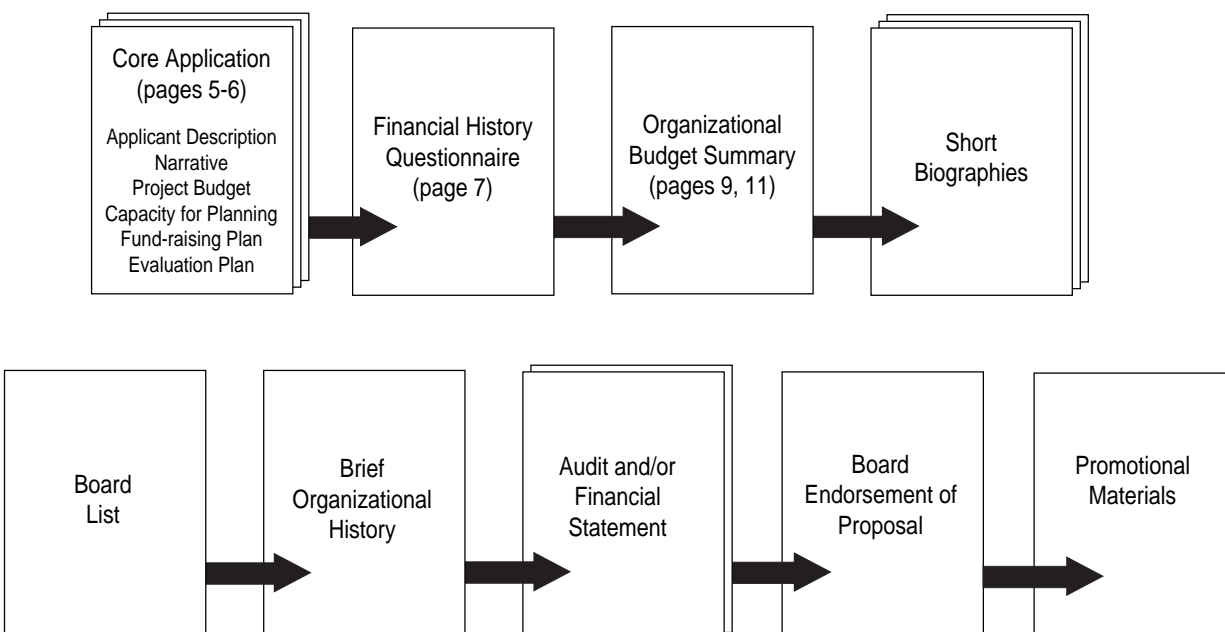
- Slides, 10 maximum;
- Video tape, one copy;
- Audio tape, four identical copies.

Materials must be reflective of work or activities produced, presented, or exhibited within the last year. If submitting video or audio tape, select a total of five minutes of material. If the tape is longer, cue it to the desired material. WITH ALL MATERIALS, INCLUDE A LOG(S) DESCRIBING THE CONTENTS.

Include adequate postage and packaging if you wish audio/visual material returned.

Include promotional materials (brochures, programs, etc.), three examples per set, one set attached to the original and each of the remaining 10 copies.

Do not submit any material other than that listed above. Extra items will be edited and disposed of by CAC staff and will not be considered by the panel.





California Arts Council

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Check out the latest news!

In order to better serve you, we've increased the ways in which you can contact us:

Phone:

916-322-6555

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916-322-6575

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cac@cwo.com

Web site:

<http://www.cac.ca.gov>

This application can also be found on our Web site and downloaded onto your printer. For more information, visit our Web site or contact Gay Carroll, Public Information Officer, at 916-322-6580 or email her at cac@cwo.com

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